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DEPARTMENT FOR EAP/J BRYAN, DTC FOR WATKINS  
DEPARTMENT OF COMMERCE, BUREAU OF INDUSTRY AND SECURITY FOR  
KURLAND

E.O. 12958: N/A

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SUBJECT: METI EXPORT CONTROLS SHARES NONPAPER ON WASSENAAR  
ARRANGEMENT REGARDING 5-AXIS MACHINE TOOLS

¶1. (SBU) During an April 30 meeting, METI Export Controls Deputy Director Atsushi Tanizawa presented EconOff with the following English language nonpaper, keyed to answer questions presented to METI by Department of Commerce, Bureau of Industry and Security.

¶2. (SBU) Begin Text of GOJ Nonpaper:

Q1: What is the process for obtaining a license to export a 5-axes machine tool to a non-WA member?

A1: We do not have any special procedure for 5-axes machine tools. Exporters should apply for the license to the Ministry of Economy, Trade and Industry (METI) or its local branches.

Q2: What are the criteria for measuring export license processing time?

A2: We do not have any specific criteria. Processing time depends on destination, end-user, etc.

Q3: Is there a streamlined process available for unlimited shipments without a license or pursuant to a one-time license (e.g., license exception, general license, project license, bulk license, etc.)?

A3: Our bulk license allows eligible exporters to ship controlled items, including 5-axes machine tools, for certain destinations without individual application

Q4: What is the average processing time for obtaining such a license? Does the license set quantitative (e.g., number, dollar value) restrictions over a specific period? Explain.

A4: Our bulk license can be granted only for the exporters having registered its Internal Compliance Program with METI. If the applicant provides necessary documents, including ICP registration, it would not take much time to process the application. We do not set quantitative restrictions over a specific period.

Q5: Is there a deadline for processing licenses?

A5: No, we do not set a deadline for processing.

Q6: Is licensing handled by a single government agency or is it an interagency process?

A6: Licensing process is handled solely by the Ministry of Economy, Trade and Industry.

Q7: Identify any known differences between the U.S. and any export licensing systems affecting machine tools.

A7: We are not aware of any particular differences with regard to machine tools.

Q8: Has the government placed restrictions or conditions on

the types of components or software able to be exported?  
Provide examples.

A8: We control all components or software agreed by the international export control regimes.

Q9: What export controls are there on the transfer of controlled machine tool technology to non-WA members?

A9: We control transfer of the technology from Japanese residents to non-Japanese residents.

Q10: If a domestic company enters into a relationship (e.g., joint venture, patent licensing, offset agreement) with, or is bought by, a company in a non-WA country, do the same export controls apply? If not, explain.

A10: Yes, the same export control applies.

Q11: What is the average processing time for obtaining a license for technology transfer?

A11: Depends on the case.

Q12: In the last three years, identify any domestic machine tool company with 5-axes capability that has been purchased by a company in a non-WA member country.

A12: We are not aware of any such case.

Q13: Are there any restrictions on the sale of 5-axes machine tool to a U.S. Government end-user or end-use (e.g., nuclear-related end-use)? Has an export ever been denied?

A13: Under Japanese legislation, exporters should obtain the license to export controlled items to any countries including the United States. We are not aware of any denial of application for export of 5-axis machine tool to U.S. Government related end-user.

Q14: What incentives does the government provide to enhance the competitiveness of domestic machine tool manufacturers

(e.g., R&D, tax abatements, government assistance in infrastructure, PPE&E expenditures, etc.)?

Q15: What incentives does the government provide to:

- a. enhance the skills of domestic machinists (e.g., apprenticeship programs, scholarships), and
- b. help retain these machinists in the local work force

A14 and A15: We, as the export control authority, are not able to answer the questions.

SCHIEFFER